Going Global, Singapore Style

Ronald Hee
Corporate Communications Manager, CyGenics Ltd

“We’re the original global city. We took to globalization like a fish to water, because on its own Singapore could not survive. We trade with everyone—our trade is three times our GDP. We were the 16th largest trading nation in the world in 2003. We have no natural resources. All we have is our people and our location.”

Professor Chan Heng Chee, Singapore Ambassador to the United States

International industry newsletter, FierceBiotech, in 2005 ranked the world’s biotech regions. The fourth top region in the world most well positioned for biotech innovation was the Biopolis in Singapore. In its March-April inaugural issue, BioSpectrum Asia rated Singapore as one of the biotech “superpowers” in Asia, behind only giants Japan, China, India and Australia. This is all the more significant when the island republic is the size and population of just one city in any of these countries.

When I attended Ausbiotech 2004, I was surprised to hear from the key speaker that Australia needed to buck up in its biotech efforts, that compared to places like Singapore and Japan, the country still had a very long way to go. At a conference in London in 2005, I met a South African who laughed when I told him I was from Singapore. “You Singaporeans are everywhere!” he exclaimed. He had already been contacted by Singaporean officials.

When it comes to biotech, the world has come to Singapore, and Singapore has gone out to the world. For Singapore, as well as biotech companies started here, it is a question of survival. The impetus for globalization is clear. The companies looking to tap into a market of only four million people simply are not going to make it. Companies that use Singapore as their spring board for global expansion, will have a better chance of doing so.

The experience of CordLife is a telling one. It began as Singapore’s first cord blood bank in 2001. It chose not to stay within Singapore right from the beginning. The company’s globalization model has been three-fold: Acquire a company; find a suitable local partner and set up a joint venture; or find good people locally to set up a fresh entity. It made some initial forays almost immediately; into neighbouring Malaysia, Indonesia and Thailand, and further afield to China.
In 2003, thanks to matching efforts by Singapore officials, the company met a like-minded company in the United States, addressing a different part of the stem cell value chain. The company, Cytomatrix, was very strong in intellectual property, but comparatively weak in cash flow, and had limited access outside the US. CordLife was doing very well in its cord blood banking business, and wanted to expand beyond this into the commercialization of stem cell therapies. It was a match that worked.

The companies agreed on a share swap deal. Soon after, the products that Cytomatrix had developed were spun off to a new company, Cell Sciences. Today, Cell Sciences is making these products available around the world, one significant contract being an OEM deal with Corning Life Sciences. The company is also providing sales and distribution services for a wide range of mainly US and European medical devices across Asia.

In 2004, the various companies restructured to form CyGenics. CordLife and Cell Sciences, based in Singapore, and Cytomatrix out of Boston, US, are wholly owned subsidiaries of CyGenics. CyGenics went successfully for a listing in Australia. Australia was chosen as the nearest stock market to Singapore with a large biotech sector.

Since its listing, the company continued to globalize aggressively. A second cord blood processing and storage facility—a joint venture—was established to take care of the North Asian market, while the American Association of Blood Banks (AABB)-accredited facility in Singapore would see to the South and Southeast Asian market. Another company was set up in the US, in New Jersey, a bio-business consultancy called CytoVations. This year, CordLife established its presence in Kolkata, India, and small marketing offices were also set up in several cities across Southeast Asia. Further enhancing its presence in Australia, parent company CyGenics acquired a 51% stake in Australian cord blood bank, BioCell.

A small European presence was set up in the United Kingdom, mainly as a platform to assess scientific collaborations and as a listening post for expansion into that continent. That listening bore its first fruit this year. In April 2006, CyGenics announced it was acquiring a 20% strategic stake in Dutch-based Pharmacell. Renamed CyGenics-Pharmacell, the company will help kickstart CyGenics’ technology commercialization in Europe, as well as provide cell therapy health care services in the continent.

The company has also embarked on various scientific collaborative efforts across the globe, with companies from Australia, Europe, Japan, Singapore and the US.

“Biotech is a global business,” said Steven Fang, Group CEO of CyGenics, and CordLife’s founder. “As much as Singapore is a spring board into Asia, as has been the case for CyGenics, Singapore can well be a spring board globally. Singapore is a highly respected brand. The fact that we started in Singapore, I think, gives a lot of potential partners great confidence that we are who we say we are, that we will do what we say we will do. CyGenics today is an emerging global player in the area of healthcare cell therapy. Our goal is to provide the basis for the stem cell-based and other cellular treatments that will benefit patients around the world. It is therefore fitting for us to say today we are a company with a Singaporean heritage, and we are truly a global company.”

Contact Details:

Ronald Hee
Corporate Communications Manager, CyGenics Ltd
Email: rhee@cordlife.com